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PROGRAM The Today Show

STATION WRC TV
NBC Network

DATE October 19, 1983 7:16 AM

CITY Washington, DC

SUBJECT An Interview with Edward O'Malley

BRYANT GUMBEL: Back at 7:16 to speak of a growing threat to the United States.

Soviet spies are getting hold of some of this country's most classified military secrets, and sometimes with frightening ease. As we've been reporting this week, a California man named James Harper has been charged with selling highly sensitive ballistic missile research to a Polish spy for a quarter of a million dollars.

Joining us this morning from Washington is Edward O'Malley. He is the Assistant Director of the FBI's Intelligence Division.

And Mr. O'Malley, I'm not totally insensitive to the fact that you have an ongoing investigation that limits what you can say. But by all accounts, a Mr. William Bell Huegel got a third of the money from the sale of those documents that Mr. Harper sold. Why is he not in custody today?

EDWARD O'MALLEY: I'm sorry, that matter's still under investigation, Mr. Gumbel, and I can't discuss it on the air.

GUMBEL: Mr. Harper was arrested for selling documents, technically in June of 1980. Is there a likelihood that he sold other things since?

O'MALLEY: I'm sorry. I'm sure you wouldn't want me to say anything that could conceivably jeopardize the right to a fair trial of Mr. Harper, and I would prefer not to get into that.

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GUMBEL: Okay, let's talk in a more general sense. It's estimated that -- conservatively estimated that the Soviet bloc has thousands of spies in this country. Is there any way of you guessing for us, estimating for us how many Americans they've recruited?

O'MALLEY: No. Well, I think the estimate there are thousands of spies, Soviet spies in this country is overblown a bit. If you look at the number of officials that represent communist countries in the United States, it totals about 3,000 people assigned to their embassies, their consulates, their missions to the United Nations. Of that number, at any point in time, about 35% are intelligence officers.

GUMBEL: How does the FBI specifically combat the problem?

O'MALLEY: We have a very aggressive and extensive program. We have a very high percentage of our resources devoted against the -- to counter the activities of these hostile services. We have very, very good equipment. We've gotten more people, as I've said. We've improved our analytical capability. I think we're a lot better than we were, but we've had a very nice base to build on that was left to us by those who preceded us.

GUMBEL: Just out of curiosity, when you have targeted someone who is a security risk, are you better off keeping them in the field and following them than, for example, deporting them and having them replaced by someone you don't know?

O'MALLEY: There are occasions when it would be more beneficial to do exactly what you're speaking about.

GUMBEL: Let's bring in another gentleman from Burbank. His name is John Shea. He is vice president of Sierra Microsystems, Inc., a company which develops security systems, specifically to help prevent high tech espionage.

Good morning to you, Mr. Shea.

JOHN SHEA: Good morning.

GUMBEL: Mr. Shea, how exactly do the Soviets strike up a relationship with an American that they'd like to work for them?

SHEA: Very simply, let's take the Silicon Valley issue at the present. We have a profuse amount of high tech companies in the area, everything from major defense contractors like Lockheed to several of your major semi-conductor companies, like

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Intel and National Semi-Conductor.

The foreign intelligence officers will basically tempt to target a given military program, define where that program is being work on by company, target the top technologist in that particular company, attempt to find out any weaknesses -- money problems, sexual problems -- and then basically try to get that person in a compromising position. And once they have got that person, either through entrapment by money or sex, and recorded it on videotape or audio, then they've got the person in a position where the person has to start anteeing up classified material.

And it's a very profuse situation in the Silicon Valley.

GUMBEL: You make it sound very easy. Is it?

SHEA: Oh, yes, it is, because -- let me explain to you. Except for major defense contractors in Silicon Valley, most high tech companies are more concerned about their competitors down the street getting the trade secrets than they are about hostile intelligence sources.

GUMBEL: Well, then, let me ask this of both of you gentlemen, Mr. Shea and Mr. O'Malley. In a preventive sense, how much cooperation exists between private industry and the FBI?

O'MALLEY: In the FBI, we have a program which we call DECA, which is an acronym for Development of Counterintelligence Awareness. We've indentified, with the help of the Department of Defense, all defense contractors in the United States. And during the past four years, we've gone out and we've talked to about 8,500 defense contractors in the United States. And it's been very, very useful to us in terms of our activities to prevent the other side from gathering the kinds of technology that you're talking about.

GUMBEL: Mr. Shea, is industry too closed-mouthed to get as much help as they could from the FBI?

SHEA: Well, you've got two major problems. The defense contractors that Mr. O'Malley just discussed are very open to any kind of help that they can get from FBI counterintelligence, or any other intelligence organization of the U. S. government. The commercial companies that supply what we call office shelf products to these defense contractors, and specifically the semi-conductor industry as a whole, do not welcome or do they want government interference. And consequently, they'll pay lip service to security, but focus primarily keeping it out of the hands of competitors.

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GUMBEL: John Shea in Burbank, Edward O'Malley in Washington. And gentlemen, thank you both.

SHEA: Thank you.

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